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I believe that the Democrats' FY08 budget represents an enormous missed opportunity, and sets a disastrous course for our nation's fiscal and economic future.

First: The key – and seemingly only – fiscal policy of this budget is to raise taxes. If it stays within the scope of the House and Senate bills, this budget will impose on the American economy and American workers either the *largest* tax increase in our nation's history, or the *second* largest tax increase in our nation's history.

One of the most frustrating parts of our debates on the House budget was the Democrats' dogged insistence that they are NOT raising taxes – pointing to some language they threw in there saying that they hope *not* to take this course. But a budget is numbers, and their numbers don't lie. They unequivocally show a tax hike in the House of \$400 billion, and a tax hike in the Senate of over \$200 billion.

Even the *Washington Post* found the Majority's claim inconsistent with the facts, noting that the House budget raises taxes nearly \$400 billion; the Senate budget raises them more than \$200 billion – the latter of which my House Democratic colleagues appeared to commit to following our motion to instruct on the floor this week.

But I'd hardly consider a \$200 billion tax hike a "win" for American workers.

The Majority's enormous tax hike will clearly threaten the economic and fiscal progress our nation has made these the past several years. As I've said many times before, the tax relief that we passed in 2001 and 2003 has turned this economy around and brought us out of a recession. It has improved job growth, GDP growth, the unemployment rate, business investment, and the entire market. In addition, it has led to surging revenues coming into the federal treasury. Raising taxes would threaten to reverse all of this.

And just think of the impact that tax hike will have on our small businesses. Our small businesses, who already have the second highest tax burden in the industrialized world, will be told that they are just not paying enough. In this increasingly global economy, where these companies are struggling to compete with China and India, imposing an even larger tax burden will be crushing. It will severely threaten our ability to compete – led alone lead.

Second: This budget does absolutely nothing to control spending. At every opportunity, the Majority has chosen to increase spending – they increased discretionary spending by \$6 billion in this year's omnibus appropriations bill; they're proposing another \$20 billion or so of extraneous spending in the supplemental; and now, the House budget would increase discretionary spending by \$26 billion in FY08.

For all the talk we've heard about how the Democrats have to "clean up" what they call the "fiscal mess" Republicans left them, their only response seems to be spend more and tax more. This formula has never worked for getting control of the budget, and it won't work now.

Finally, the Democrats' budget not only avoids any effort to address the unsustainable growth of federal entitlement spending for at least the next five years, but in fact, actually compounds the problem, by including in so-called "reserve funds," promises to add another \$150 billion in NEW entitlement spending – without, of course, any way to pay for it.

They've chosen to do this even after a parade of highly respected witnesses – including the U.S. Comptroller General, CBO Director, OMB Director, and Chairman of the Federal Reserve – warned us that the path of entitlement spending threatens to devastate both the budget and the economy.

Even with the \$400-billion tax increase included in the House-passed budget, entitlement spending will quickly outpace revenue again, and by increasing amounts. We cannot raise taxes fast enough, or often enough, to deal with this unsustainable growth in spending.

So why has the Majority failed to do anything? Because, as Senate Budget Chairman Conrad recently put it on *60 Minutes*, "it's always easier not to. [I]t's always easier to defer, to kick the can down the road to avoid making choices. You know, you get in trouble in politics when you make choices."

I appreciate the sentiment, but we all know that's not what budgeting is about. It's about making choices – *even* when they're tough, *even* when they're not politically popular – because that's what we're here to do.

And again, I believe that the budgets we've seen fail to make *any* real choices – let alone the right ones.

Our House Republican budget PROVED that we can not only balance the budget – we can do it without raising taxes – by keeping our economy growing strong and creating jobs, and by restraining federal spending.

This Congress must work together to change the dangerous course the Democrats' budgets

appear poised to set, and craft a plan to better our nation's future.